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ARIZONA CORPORATION COMMISSION

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Q6D

June 16, 2006

2006 JUN 16 P 4: 26

Mr. Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, Michigan 49007-4752

AZ CORP COMMISSION
DOCUMENT CONTROL

RE: Staff's Letter of Insufficiency and Second Set of Data Requests to DELTEL, INC.
Docket No. T-20396A-05-0542

Dear Mr. Crocker:

On July 28, 2005, DELTEL, INC. ("DI") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide resold interexchange telecommunications services in the State of Arizona. The Application submitted is not sufficient. This data request lists the information Staff needs to complete its analysis of your Application.

For purposes of this data request set, the words "DI", "Applicant", "the Company", "you", and "your" refer to DELTEL, INC., any representative, including every person and/or entity acting with, under the control of, or on behalf of DELTEL, INC. **For each answer, please identify by name, title, e-mail address, phone number, and address each person providing information that forms the basis for the response provided.**

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

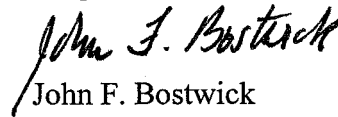
Please provide Docket Control with the information being requested within **30 calendar days** of the date of this letter. Mail an Original plus 13 copies to Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927. If no response is received, Staff will recommend that the Application be terminated. If the Application is terminated, the Applicant cannot provide the same telecommunications services in Arizona for which it is currently applying, until such time as a new application is filed with and approved by the Commission.

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Remember that information submitted for a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If you have any questions, please contact me at (602) 542-0856. Thank you for your prompt response to this request.

Respectfully,

A handwritten signature in black ink, appearing to read "John F. Bostwick". The signature is written in a cursive style with a large initial "J".

John F. Bostwick
Administrative Services Officer II
Utilities Division

Enclosure(s)

CC: Docket Control Center (Original and Thirteen Copies)

STAFF'S SECOND SET OF DATA REQUESTS TO
DELTEL, INC.
DOCKET NO. T-20396A-05-0542

Please make sure each numbered item and each part of the item is answered completely. If it is not, Staff will resubmit the numbered item(s) and/or part(s) of the item in a following data request. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s). In order for Staff to continue with its review of this Application, the following information must be submitted:

- JFB2-1 Mr. Damien Zamora, was End70 Corporation ("End70") a defendant in a case before the Federal Trade Commission ("FTC") in the last ten years?
- JFB2-2 Mr. Damien Zamora, has End70 Corporation been convicted of a felony in the last ten years?
- JFB2-3 Mr. Damien Zamora, has End70 Corporation, as one of the defendants, been ordered to pay \$500,000 in consumer redress? Also, as part of the settlement with the FTC, was End70 Corporation barred from making deceptive claims associated with the sale of any good or services, and required to discontinue airing infomercial they used to generate sales?
- JFB2-4 Mr. Damien Zamora, in conjunction with the FTC settlement, is it true that if End70 Corporation's financial statements are found to be inaccurate, End70 Corporation will be required to pay \$36 million?
- JFB2-5 Mr. Damien Zamora, please explain your involvement with a business opportunity called "Internet Treasure Chest" ("ITC") or "Internet Treasure Chest Home Business System."
- JFB2-6 Mr. Damien Zamora, please explain End70 Corporation's involvement with a business opportunity called "Internet Treasure Chest" or "Internet Treasure Chest Home Business System".
- JFB2-7 Mr. Damien Zamora, please explain your present business relationship with the company called End70 Corporation. Please explain your past business relationship with the company called End70 Corporation.
- JFB2-8 Mr. Damien Zamora, please explain your present business relationship with Mr. Ian Welsh.
- JFB2-9 Mr. Damien Zamora, please explain your past business relationships with Mr. Ian Welsh.
- JFB2-10 Mr. Damien Zamora, please explain your present personal relationship with Mr. Ian Welsh.

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- JFB2-11 Mr. Damien Zamora, please explain your past personal relationship with Mr. Ian Welsh.
- JFB2-12 Mr. Damien Zamora, please explain your past personal relationships with Mr. Kirk Waldfoegel.
- JFB2-13 Mr. Damien Zamora, please explain your present personal relationships with Mr. Kirk Waldfoegel.
- JFB2-14 Mr. Damien Zamora, please explain your past business relationships with Mr. Kirk Waldfoegel.
- JFB2-15 Mr. Damien Zamora, please explain your present business relationships with Mr. Kirk Waldfoegel.
- JFB2-16 Mr. Damien Zamora, have you been a defendant in a case before the Federal Trade Commission in the last ten years?
- JFB2-17 Mr. Damien Zamora, have you been convicted of a felony in the last ten years?
- JFB2-18 Mr. Damien Zamora, have you, as one of the defendants, been ordered to pay \$500,000 in consumer redress? Also, as part of the settlement with the FTC, have you been barred from making deceptive claims associated with the sale of any good or services, and required to discontinue airing infomercial they used to generate sales?
- JFB2-19 Mr. Damien Zamora, in conjunction with the FTC settlement, is it true that if End70 Corporation's financial statements are found to be inaccurate, you will be required to pay \$36 million?
- JFB2-20 Mr. Damien Zamora, please explain the temporary restraining order and a preliminary injunction issued against you and End70 Corporation by Judge David C. Godbey of the U.S. District Court for the Northern District of Texas, Dallas Division. Provide Staff with a copy of the filed temporary restraining order and preliminary injunction.
- JFB2-21 Mr. Damien Zamora, please explain the details of your investment of DELTEL, INC. Provide specific details regarding your investment in DELTEL, INC.
- JFB2-22 Mr. Damien Zamora, please provide the names, business addresses and phone numbers of all the officers, managers, employees, and owners of End70 Corporation prior to your investment in DELTEL, INC.

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DELTEL, INC.
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- JFB2-23 Mr. Damien Zamora, please provide the names, business addresses and phone numbers of all the officers, managers, employees, and owners of End70 Corporation after your investment in DELTEL, INC.
- JFB2-24 Mr. Damien Zamora, please describe your involvement with DELTEL, INC.
- JFB2-25 Mr. Damien Zamora, please describe End70 Corporation's involvement with DELTEL, INC.
- JFB2-26 Mr. Ian Welsh, please explain your involvement with a business opportunity called "Internet Treasure Chest", ITC or "Internet Treasure Chest Home Business System."
- JFB2-27 Mr. Ian Welsh, please explain your past business relationship with the company called End70 Corporation.
- JFB2-28 Mr. Ian Welsh, please explain your present business relationship with the company called End70 Corporation.
- JFB2-29 Mr. Ian Welsh, please explain End70 Corporation's involvement with a business opportunity called "Internet Treasure Chest" or "Internet Treasure Chest Home Business System".
- JFB2-30 Mr. Ian Welsh, please explain your present personal relationship with Mr. Damien Zamora.
- JFB2-31 Mr. Ian Welsh, please explain your past personal relationship with Mr. Damien Zamora.
- JFB2-32 Mr. Ian Welsh, please explain your present business relationship with Mr. Damien Zamora.
- JFB2-33 Mr. Ian Welsh, please explain your past business relationship with Mr. Damien Zamora.
- JFB2-34 Mr. Ian Welsh, please explain your past business relationship with Mr. Kirk Waldfogel.
- JFB2-35 Mr. Ian Welsh, please explain your present business relationship with Mr. Kirk Waldfogel.
- JFB2-36 Mr. Ian Welsh, please explain your present personnel relationship with Mr. Kirk Waldfogel.

STAFF'S SECOND SET OF DATA REQUESTS TO
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- JFB2-37 Mr. Ian Welsh, please explain your past personnel relationship with Mr. Kirk Waldfogel.
- JFB2-38 Mr. Ian Welsh, please describe your involvement with a company called Direct FX LLC.
- JFB2-39 Mr. Ian Welsh have you ever made a client testimonial statement for Direct FX LLC? If so, who was your employer and what was your position with your employer at time the testimonial was made?
- JFB2-40 Mr. Kirk Waldfogel did you and Wazzu Corporation, Jayme Amirie, and Kenneth Gharib, as "Defendants", settle charges of alleged violations of Federal Trade Commission Act by signing and agreeing to entry of the proposed Stipulated Final Order of Permanent Injunction and Other Equitable Relief ("proposed Order")? Please explain the purpose, reasons for the settlement, and the events pertaining to the specifics of the permanent injunction and equitable relief.
- JFB2-41 Mr. Kirk Waldfogel did you and Wazzu Corporation, Jayme Amirie, and Kenneth Gharib, as "Defendants", agree to pay \$12,932.41 into an escrow account less than five (5) business days after the Defendants signed the proposed Order? If so, why did you agree to the "Escrow Agreement." Did you and/or Wazzu pay into the escrow account? If so, please indicate the amount you and/or Wazzu paid. How was the amount of \$12,932.41 determined? What was the purpose of the "Escrow Agreement?" Also, please explain how the funds in the escrow account were to be used.
- JFB2-42 Mr. Kirk Waldfogel, in JFB1-7, you reported that "Damien Zamora is the President of End70 Corporation which is a shareholder of DelTel. He was a DelTel Board member until FTC action against End70, at which time I asked him to step down and he complied." In JFB1-13, you were asked "Was End70 Corporation a defendant in a case before the Federal Trade Commission in the last ten years?" You replied "I don't know." Please explain why you asked Damien Zamora to step down as a Board member of DelTel. Also, please explain your response to question JFB1-13.